

Conditions of purchase of Volvo Car Switzerland AG

1. General

- 1.1 These conditions form part of every contract under which goods or services are contracted by Volvo Car Switzerland AG – hereinafter referred to as the “Customer”. Conflicting or deviating delivery conditions or other restrictions of the Supplier or service provider – hereinafter referred to jointly as the “Supplier” – do not apply without an objection being necessary, unless the Customer has expressly agreed to them in individual cases in writing or in text format.
- 1.2 Other agreements, changes and ancillary agreements are only valid if the Customer has given his consent in writing or in text format.

2. Offers

The Supplier must precisely adhere to the request in the offer and explicitly point out any deviations. Offers (including cost quotations) from the Supplier are always free of charge and do not create any obligation for the Customer making the enquiry.

3. Orders

Orders and changes to orders are made in writing or in text format. The content of verbal and telephone discussions is only binding if it has been confirmed by the Customer in writing or in text format. Every order and change to an order must be confirmed by the Supplier in writing or in text format and handled separately in all correspondence. All documents must specify: ordering department and name of employee, complete order number, order date, project designation and cost centre.

4. Delivery period, contract implementation

- 4.1 Agreed delivery dates or delivery periods are binding. An agreed delivery period applies from the day the order is placed. The decisive factor for compliance with the delivery date or delivery period is the receipt of the goods by the Customer or the place of receipt specified by the Customer.
- 4.2 As soon as the Supplier becomes aware that he will not be able to fulfil his contractual obligations in full or in part or not on time, he must notify the Customer of this immediately, stating the reasons and the expected duration of the delay. If the Supplier fails to provide this notification, he may not appeal the impediment vis-à-vis the Customer.
- 4.3 If the Supplier does not fulfil the delivery by the agreed delivery date or within an agreed delivery period, the Customer is entitled to the statutory rights due to delay. If the Supplier overruns the agreed delivery dates or delivery periods by more than one month, the Customer may demand compensation instead of performance, even without prior notice.
- 4.4 If a contractual penalty has been agreed between the Customer and the Supplier in the event of non-fulfilment or insufficient fulfilment, any withdrawal from the contract due to non-performance or non-performance in accordance with the contract does not void the contractual penalty incurred.

The acceptance of the service owed by the Supplier is always subject to the assertion of any contractual penalty claim.

- 4.5 The involvement of subcontractors by the Supplier to carry out the order is only permitted with the Customer's prior written consent.

5. Notification of defects and liability

- 5.1 The Supplier is liable for ensuring that the delivery item does not have any material or legal defects that impair its value or suitability, and that it complies with the conditions specified in the order and the guaranteed properties, the generally recognised rules of the technology, the specifications provided by the Customer, as well as the latest legal, official and other guidelines and regulations, in particular the Gerätesicherheitsgesetz (*Equipment Safety Act*), the safety requirements, the occupational health and safety and accident prevention regulations, and the requirements of environmental protection. Any claims by the Customer arising from a guarantee provided by the Supplier remain unaffected.
- 5.2 The Supplier ensures that the delivery and use of the delivery item by the Customer does not violate any (property) rights of third parties domestically or abroad. The Supplier undertakes to exempt the Customer from all costs and claims from third parties arising from any alleged violation of (property) rights and to reimburse the Customer for any expenses and, at the Customer's request, to conduct all legal disputes arising from this at the Supplier's own expense or to intervene in any legal dispute between the Customer and third parties in support of the Customer.
- 5.3 The Customer is entitled to the full statutory warranty rights in the event of material and legal defects. The Customer will check the delivered goods for deviations in quality or quantity within an appropriate period of time. A complaint about defects by the Customer is considered to have been made in a timely manner as long as it is received by the Supplier within 10 working days of receipt of the delivered goods. Latent defects may also be reported to the Supplier within 10 working days of their discovery. A latent defect is deemed discovered when the delivered goods have been technically checked after initial complaints have arisen and the defect has been reported to the employee responsible for contract processing in the purchasing department.
- 5.4 If the Customer chooses to remedy the defect within the context of subsequent performance and the Supplier falls behind schedule while remedying the defect, the Customer is entitled to remedy the defect themselves or have it remedied by a third party at the Supplier's expense and risk, without affecting the Supplier's further liability for defects. In urgent cases, the Customer is entitled to remedy the defect at the Supplier's expense and risk, even without prior warning or setting a deadline, without affecting the Supplier's further liability for defects.
- 5.5 The statutory limitation periods apply unless the parties agree on an extension. A notification of defects extends the limitation period by the period of time between the notification of defects and their elimination. If the delivery item is replaced in whole by a new item, the limitation period begins again; in the case of partial replacement, this applies to the replacement parts. It is assumed that a defect was already present at the time of transfer of risk if it appears within the limitation period.
- 5.6 The Supplier's liability for defects also extends to parts or works manufactured or delivered by subcontractors.
- 5.7 The items being complained about due to liability for defects remain at the Customer's disposal until they are replaced and, upon replacement, become the property of the Supplier.
- 5.8 If the delivery is based on a contract for work and services and if the customer is legally or contractually obliged to accept the delivery item, the acceptance is subject to all claims for defects, even if the customer does not expressly reserve the right to claim for defects

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at the time of acceptance due to defects known at the time of acceptance.

- 5.9 The Supplier releases the Customer from claims arising from producer liability and from the Produkthaftungsgesetz (*Act on Liability for Defective Products*), insofar as the Supplier or his subcontractor caused the product defect giving rise to liability.
- 5.10 In all other respects, the Supplier is liable in accordance with the statutory provisions. These also apply if the Customer has not delivered the goods to consumers but to businesses and the contractual relationship between the Customer and his consumers cannot therefore be qualified as a consumer goods purchase.

6. Insurance

- 6.1 The Supplier must take out adequate liability insurance at his own expense for damage caused by him, his employees or agents through services provided, work supplied or items delivered. The amount of coverage for each damage event must be proven to the Customer on request.
- 6.2 The Supplier bears the risk for property brought in by him during assembly, maintenance, inspections, repairs, etc. Machines, appliances, etc. loaned to the Customer are insured by the Customer against the usual risks. The Customer is not liable beyond this for loss or damage to the machines, appliances, etc. provided – except in cases of intentional or gross negligence.

7. Shipping regulations, transfer of risk

- 7.1 The Supplier must send a detailed dispatch note for each individual shipment on the day of shipment, separate from the goods and invoice. A delivery note and packing slip must be enclosed with the delivery. The Supplier must choose the least expensive and most suitable transport option for the Customer and observe all national and international provisions when packing and shipping. The order codes and information about the place of receipt specified by the Customer must be included in all dispatch notes, delivery notes, packing slips, consignment notes, invoices and on the outer packaging, etc.
- 7.2 The delivery item is transported at the Supplier's risk free of charge to the place of receipt specified by the Customer. The risk is only transferred to the Customer after unloading. This does not apply if the Customer specifies the transport company or transports the item(s) himself.
Ownership is transferred to the Customer together with the risk.
- 7.3 All shipments that cannot be accepted due to non-compliance with these regulations are stored at the Supplier's expense and risk. The Customer is entitled to ascertain the contents and condition of such shipments.
- 7.4 At his discretion, the Customer is entitled to return deliveries that do not correspond to the requirements of the order, as well as excess quantities delivered, at the Supplier's expense and risk.

8. Prices

- 8.1 Payment in accordance with the order is a binding fixed price and includes all services to be provided by the Supplier, including all costs such as travel costs, expenses, packaging, loading and unloading, transportation, insurance, customs duties and taxes, but excludes VAT, which must be stated separately. Additional charges are excluded.
- 8.2 Should the Supplier reduce his prices or improve his conditions in the time period between order and delivery, the prices and conditions valid on the day of delivery shall apply.

9. Invoicing and payment

- 9.1 Invoices must correspond to the order in terms of language, order of text and prices. Any excess or shortfall in services must be listed separately in the invoice.
- 9.2 Provided that the delivery is complete, payment is made at the Customer's discretion in 45 days net or 14 days less 2% discount after receipt of the invoice.
- 9.3 Payment periods begin from the agreed date – at the earliest from the receipt of the goods and invoice. Payment periods are only triggered if all of the requirements regarding invoicing and goods shipping are met by the Supplier. Otherwise, they are extended by the period required for processing as a result of non-compliance with the regulations.
- 9.4 If service is deficient, the Customer is entitled to refuse payment until the service has been rectified.
- 9.5 Payment does not signify acceptance of conditions or prices. The time of payment has no influence on the Supplier's liability for defects and the Customer's right of complaint.

10. Assignment and offsetting

- 10.1 The Supplier is not entitled to assign his claims against the Customer or have them collected by third parties without the prior written consent of the Customer. The Customer's consent is deemed to have been given if the Supplier has agreed an extended retention of title with his supplier in the ordinary course of business.
- 10.2 The Supplier may only offset against undisputed or legally established claims. This applies accordingly to the assertion of retention rights.
- 10.3 The Customer is entitled to transfer all rights and obligations arising from the contractual relationship with the Supplier to an associated company.

11. Documentation

- 11.1 All drawings, standards, diagrams, schematic diagrams, graphics, photographs, layout templates and other documents or documentation – whether on data carriers, in printed format or as material for print preparation or printing – that are provided to the Supplier by the Customer for the manufacture of the delivery item remain the property of the Customer. The documents produced by the Supplier in accordance with the Customer's specifications become the property of the Customer upon payment at the latest and may not be used for other purposes, reproduced or made accessible to third parties by the Supplier. They must be returned to the Customer immediately upon request, together with all copies and reproductions. The Customer reserves the industrial property rights to all documents provided to the Supplier. The Supplier must provide the Customer with all of the documents required for discussing the delivery item. A discussion of this kind or other involvement of the Customer is the sole responsibility of the Supplier and does not release the Supplier from any liability for defects or his other obligations.
- 11.2 All types of documents required by the Customer for the use, installation, assembly, processing, storage, operation, maintenance, inspection, and repair of the delivery item must be provided by the Supplier free of charge, in a timely manner and without being prompted.

12. Items

Moulds, models, tools, films, etc. that have been manufactured by the Supplier to fulfil the order become the property of the Customer upon payment, even if they remain in the Supplier's possession. The Supplier will hand over these items upon request.

13. Verification rights

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The Customer is entitled to inspect, either himself or via his representatives, at reasonable times, all pertinent documents in the Supplier's possession regarding the Supplier's obligations arising from an order or payments requested by the Supplier as part of an order. The Supplier is obliged to keep all pertinent documents relating to the order for at least two years after completion of the deliveries or services resulting from this order.

14. Confidentiality

14.1 The Supplier must treat the enquiry, order, related work and all other non-obvious commercial and technical details that become known to him through the business relationship as trade secrets and, accordingly, treat them confidentially, even for the period after completion of the order. Employees and agents of the Supplier as well as subcontractors and their employees must also be placed under this obligation.

14.2 Reference to the existing business relationship with the Customer in information and advertising materials is only permitted with the explicit and prior written consent of the Customer.

15. Final provisions

15.1 The Supplier is liable for damages and assumes any costs incurred by the Customer due to non-compliance with these conditions of purchase. The Supplier is responsible for ensuring his subcontractors also comply.

15.2 If individual provisions of these conditions of purchase and/or the individual contract are or become legally ineffective or unenforceable, or if there are any omissions or loopholes, this does not affect the validity of the remaining provisions. The parties undertake to agree on an appropriate provision in their place that approximates as closely as possible the intended commercial success.

15.3 Swiss law shall apply.

15.4 Unless otherwise agreed in writing, the exclusive place of performance is the Customer's head office.

15.5 If the Supplier is a registered trader, the place of jurisdiction is the Customer's head office. However, the Customer is also entitled to file a suit against the Supplier at his place of residence or business. Statutory provisions on exclusive jurisdiction remain unaffected.

15.6 The Supplier undertakes to comply with Volvo's Code of Conduct for Business Partners at all times. This can be viewed at www.volvocars.ch.

Special conditions for services and work

The above provisions apply analogously to services and work, including assembly, maintenance, etc., supplemented by the following regulations.

16. Changes

The Customer may request changes until the service or work is completed. The Supplier must carry out modified services as long as they are not unreasonable within the scope of his operational capabilities. Payment and delivery periods must be adjusted if necessary. If the Supplier believes this is necessary, he must assert this within 14 days. If the Customer does not give written or text-based consent within a further 14 days, the order change is deemed not to have been given.

17. Order execution

The Customer may terminate the contract in whole or in part at any time. In the event of termination, the Customer will notify the Supplier of any work that has been started that must be seen through to conclusion. The Supplier will continue to carry it out under the terms of the contract.

18. Rights and property rights to the work results

18.1 As far as legally permissible, the Customer should be able to dispose of the rights held by the Supplier as the author instead of the Supplier. With creation or processing, all usage and exploitation rights, industrial property rights, legal positions similar to industrial property rights and ownership of all work results created as part of the order are transferred to the Customer. The Customer is entitled to them without any further payment and without any restrictions in terms of space, time and content, exclusively and irrevocably, and they can be freely transferred by the Customer without the consent of the Supplier. The Customer has the right, in particular, to edit, adapt or change the work results without the consent of the Supplier, to grant sub-licenses and to register industrial property rights for the work results. Works created by the Supplier, his employees or subcontractors as part of an order that are specifically ordered or commissioned by the Customer are deemed "work made for hire". The Supplier's right to be named is excluded unless otherwise agreed in writing.

18.2 If the work results violate the intellectual property rights of third parties and the Customer is therefore prohibited from using the work results in whole or in part, the Supplier will, at the Customer's discretion and at his own expense, either

- a) provide the Customer with the right to use the work results or
- b) make the work results free of intellectual property rights or
- c) replace the work results with other, equivalent ones that do not violate any intellectual property rights or
- d) refund the fee paid by the Customer for the work results and provide compensation for the associated expenses and damages.

19. Social insurance

19.1 The Supplier ensures that he does not work exclusively for the Customer and that he does not derive his majority income from this activity, that he does not exclusively employ employees or family members who are exempt from social insurance contributions and that he is himself active in the market as a businessperson. The Supplier must provide evidence of this at the Customer's request.

19.2 If social insurance contributions of any kind are incurred for the Customer as a result of the order, the Supplier shall bear these alone internally.